

JON M. HUNTSMAN JR. Governor MICHAEL R STYLER Executive Director JOHN R. BAZA Division Director

Sate of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-539-3940 (Fax) 801-538-7223 (TDD)

PENNEY'S GEMSTONES, LLC 2400 E 30 S BOX 312 BEAVER UT 84713-0312

ATTENTION: DAVID PENNEY

ANNUAL PERMIT FEE	Annual Permit Fees (July 2005 thru June 2006)			
PROJECT NAME	PROJECT ID	ACRES	BILLING DATE	
LITTLE SPOT	S270024	NA	06/28/2005	
PERMIT TYPE	PROJECT STATUS	7		
SMALL MINING OPERATION < 5 ACRES	ACTIVE	1	ANNUAL FEE	
		_	\$ 150	
		OUE DATE	AMOUNT DUE	
			_	
	07/	29/2005	\$ 150	

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing Information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED	PROJECT NAME		PROJECT ID
PENNEY'S GEMSTONES, LLC	LITTLE SPOT		\$270024
DUE DATE ANNUAL FEE AMOUNT DUE	FEE NOT ENCLOSED Change of Address		ss
07/29/2005 \$ 150 \$ 150	Permittee requests an inspection to close	Contact	
TAX ID OR SOCIAL SECURITY # out this permit.		Address	
DIVISION OF OIL GAS AND MINIT	NG		
1594 WEST NORTH TEMPLE SUITE 1210 PO BOX 145801 SALT LAKE CITY UT 84114-5801		E-Mail Address	
		State Zip	
		Phone	

Please make check payable to:
Division of Oil, Gas and Mining

Instructions for Payment of Fees

June 28, 2005

1. <u>Collection of Permit Fees</u>

The Utah Legislature authorized the collection of permit fees in the Minerals Program July 1, 1998. The fees provide supplemental funding for processing and maintaining mining and exploration permit applications and inspection of those sites.

Please note:

Some companies/operators may receive more than one billing form (i.e. multiple mines/projects). It is important to return each one of those forms to ensure proper credit.

2. Fees Are Assessed as Follows:

Notices of Intent	Annual Fee
Exploration Operations	\$150.00
Small Mining Operations (5 or less disturbed acres)	\$150.00
Large Mining Operations (less than 50 disturbed acres*)	\$500.00
Large Mining Operations (more than 50 disturbed acres*)	\$1,000.00

3. Fees Due Date

Fees are due by the last Friday in July, for all permitted operations or applications presently under Division review. Fees will also be due upon submission of a new permit application or a permit amendment/revision which increases the acreage to a new fee category.

4. Failure to Pay

Failure to pay the required permit fee will <u>automatically suspend an operator's authorization to mine or explore</u> (site reclamation is still required by the operator). Permit revocation and an Order to reclaim the site may subsequently be required by the Board of Oil, Gas and Mining after Notice and Hearing. New permit applications require fee enclosure with the application, before it will be processed

5. Opportunity to Close Out a Permit

Permittees have the opportunity to close out a permit and not pay the fee. To be eligible to close out a permit, you must return the enclosed billing form with the appropriate box checked. You will then be contacted by the Division to arrange for an onsite inspection. The area must be fully reclaimed and in a stable condition to be eligible for closing out a permit. If the area is suitably reclaimed, then NO FEE WILL BE DUE. If the area is not yet suitably reclaimed, then a new billing notice will be issued and the permittee will be given 30 days from the date of the onsite inspection to pay the fee.

6. Delinquent Fees

All permit fees which remain unpaid will be considered a violation of the Mined Land Reclamation Act and will be subject to enforcement action, which will carry penalties and fines.

7. Change of Address

Please note any address or telephone changes on the return form. (NOTE: An operator cannot be changed on this form. This must be accomplished through a formal Permit Transfer).

8. Questions or Comments

Please contact Daron Haddock at (801) 538-5325 or Joelle Burns at (801) 538-5291.

jb

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